

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YOUFIT HEALTH CLUBS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-12841 (MFW)

(Jointly Administered)

Ref. Docket Nos. 17 & 564

**CERTIFICATION OF COUNSEL REGARDING *PROPOSED* ORDER APPROVING
STIPULATION GRANTING AN EXTENSION OF (I) THE DESIGNATION RIGHTS
PERIOD AND (II) THE TERM OF THE TRANSITION SERVICES AGREEMENT**

The undersigned hereby certifies as follows:

1. On November 9, 2020 (the “Petition Date”), each of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

2. On November 10, 2020, YF FC Acquisition, LLC (the “Buyer”) and the Debtors entered into that certain Asset Purchase Agreement (as amended by that certain First Amendment to Asset Purchase Agreement, dated December 4, 2020, and the Sale Order (as defined below), and as may be further amended, supplemented, or otherwise modified from time to time in accordance with its terms with all exhibits and schedules thereto, the “APA”).²

¹ The last four digits of YouFit Health Clubs, LLC’s tax identification number are 6607. Due to the large number of debtor entities in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the claims and noticing agent at www.donlinrecano.com/yfhc. The mailing address for the debtor entities for purposes of these chapter 11 cases is: 1350 E. Newport Center Dr., Suite 110, Deerfield Beach, FL 33442.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the APA or the Sale Order, as applicable.

3. On November 18, 2020, the United States Trustee appointed an official committee of unsecured creditors in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code (the “Committee”).

4. On December 28, 2020, the Bankruptcy Court entered the *Order (I) Authorizing the Sale of All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing and Approving the Debtors’ Performance Under the Stalking Horse Purchase Agreement, (III) Approving the Assumption and Assignment of Certain of the Debtors’ Executory Contracts and Unexpired Leases Related Thereto and (IV) Granting Related Relief* [Docket No. 564] (the “Original Sale Order”).

5. On February 9, 2021 the Bankruptcy Court entered the *Supplemental Order (I) Authorizing the Sale of All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing and Approving the Debtors’ Performance Under the Stalking Horse Purchase Agreement, (III) Approving the Assumption and Assignment of Certain of the Debtors’ Executory Contracts and Unexpired Leases Related Thereto and (IV) Granting Related Relief* [Docket No. 735] (the “Supplemental Sale Order” and together with the Original Sale Order, the “Sale Order”)

6. On February 18, 2021, the Closing Date occurred under the APA and, as authorized by the APA and the Sale Order, the Debtors and the Buyer entered into a Transition Services Agreement (as the same may be amended, supplemented, or otherwise modified from time to time, the “Transition Services Agreement”) to aid in the smooth transfer of operations to the Buyer.

7. The term of the Transition Services Agreement commenced on the Closing Date and continues for a period ending ninety (90) calendar days thereafter, or such later date as may be agreed among the Buyer and the Debtors in writing (the “Term”).

8. Pursuant to the APA and the Sale Order, the Buyer has until the earlier of (a) the ninety (90) days following the Closing Date and (b) the expiration of the Debtors’ deadline to assume or reject unexpired leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code, subject to any and all rights to seek an extension thereof (the “Designation Rights Period”) to designate any Designated Contract for either (i) assumption and assignment to the Buyer or (ii) rejection.

9. The Buyer, the Debtors, and the Committee (the “Parties”) have agreed to extend the Designation Rights Period and the Term of the Transition Services Agreement through and including June 4, 2021 as set forth in the proposed form of order attached hereto as **Exhibit A** (the “Proposed Order”) approving that certain *Stipulation Granting an Extension of (I) the Designation Rights Period and (II) the Term of the Transition Services Agreement* by and among the Parties, a copy of which is attached to the Proposed Order as Exhibit 1 (the “Stipulation”).

10. The counterparties to the unexpired leases set forth on Schedule 1 to the Stipulation have also consented to the proposed extension of the Designation Rights Period.

11. Accordingly, the Parties respectfully request that the Bankruptcy Court enter the Proposed Order at its earliest convenience without further notice or a hearing.

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Dated: May 17, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YOUFIT HEALTH CLUBS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-12841 (MFW)

(Jointly Administered)

Ref. Docket Nos. 17 & 564

**ORDER APPROVING STIPULATION GRANTING AN EXTENSION OF (I) THE
DESIGNATION RIGHTS PERIOD AND (II) THE TERM OF THE TRANSITION
SERVICES AGREEMENT**

Upon consideration of the *Stipulation Granting an Extension of (I) the Designation Rights Period and (II) the Term of the Transition Services Agreement* (the “***Stipulation***”)², entered into by and among the Buyer, the Committee, and the Debtors, a copy of which is attached hereto as **Exhibit 1**, and the related *Certification of Counsel Regarding Proposed Order Approving Stipulation Granting an Extension of (I) the Designation Rights Period and (II) the Term of the Transition Services Agreement*; and having determined that this Bankruptcy Court has jurisdiction to enter this Order in accordance with 28 U.S.C. §§ 157 and 1334, the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and having determined that due and appropriate notice of the relief provided for herein has been given under the circumstances; and the Bankruptcy Court having determined that the agreements set forth in the Stipulation are in the best interests of the Debtors, their estates, their

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² Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Stipulation.

creditors and other parties in interest; and good and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Stipulation attached to this Order as **Exhibit 1** is hereby APPROVED.
2. The Designation Rights Period and the Term of the Transition Services Agreement is extended through and including June 4, 2021, in accordance with and subject to the terms of the Stipulation attached to this Order as **Exhibit 1**.
3. The Designation Rights Period and the Term of the Transition Services Agreement may be further extended with the written consent of the Debtors and the Buyers without further order of the Bankruptcy Court.
4. This Bankruptcy Court shall retain jurisdiction to resolve any disputes arising from or related to this Order or the Stipulation.
5. This Order and the Stipulation shall become effective immediately upon entry of this Order notwithstanding anything in the Federal Rules of Bankruptcy Procedure or otherwise to the contrary.

EXHIBIT 1

Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YOUFIT HEALTH CLUBS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-12841 (MFW)

(Jointly Administered)

Ref. Docket Nos. 17 & 564

**STIPULATION GRANTING AN EXTENSION OF (I) THE DESIGNATION RIGHTS
PERIOD AND (II) THE TERM OF THE TRANSITION SERVICES AGREEMENT**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), YF FC Acquisition, LLC (the “Buyer”), and the committee of unsecured creditors appointed in these chapter 11 cases (the “Committee” and together with the Debtors and the Buyer, the “Parties”), through their undersigned counsel, hereby enter into this stipulation (the “Stipulation”) as follows:

WHEREAS, on November 9, 2020 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, on November 10, 2020, the Buyer and the Debtors entered into that certain Asset Purchase Agreement (as amended by that certain First Amendment to Asset Purchase Agreement, dated December 4, 2020, and the Sale Order (as defined below), and as may be further

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amended, supplemented, or otherwise modified from time to time in accordance with its terms with all exhibits and schedules thereto, the “APA”);²

WHEREAS, on November 18, 2020, the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code;

WHEREAS, on December 28, 2020, the Bankruptcy Court entered the *Order (I) Authorizing the Sale of All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing and Approving the Debtors’ Performance Under the Stalking Horse Purchase Agreement, (III) Approving the Assumption and Assignment of Certain of the Debtors’ Executory Contracts and Unexpired Leases Related Thereto and (IV) Granting Related Relief* [Docket No. 564] (the “Original Sale Order”);

WHEREAS, on February 9, 2021 the Bankruptcy Court entered the *Supplemental Order (I) Authorizing the Sale of All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing and Approving the Debtors’ Performance Under the Stalking Horse Purchase Agreement, (III) Approving the Assumption and Assignment of Certain of the Debtors’ Executory Contracts and Unexpired Leases Related Thereto and (IV) Granting Related Relief* [Docket No. 735] (the “Supplemental Sale Order” and together with the Original Sale Order, the “Sale Order”);

WHEREAS, on February 18, 2021, the Closing Date occurred under the APA and, as authorized by the APA and the Sale Order, the Debtors and the Buyer entered into a Transition Services Agreement (as the same may be amended, supplemented, or otherwise modified from time to time, the “Transition Services Agreement”) to aid in the smooth transfer of operations to the Buyer;

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the APA or the Sale Order, as applicable.

WHEREAS, the term of the Transition Services Agreement commenced on the Closing Date and continues for a period ending ninety (90) calendar days thereafter, or such later date as may be agreed among the Buyer and the Debtors in writing (the “Term”).

WHEREAS, pursuant to the APA and the Sale Order, the Buyer has until the earlier of (a) the ninety (90) days following the Closing Date and (b) the expiration of the Debtors’ deadline to assume or reject unexpired leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code, subject to any and all rights to seek an extension thereof (the “Designation Rights Period”) to designate any Designated Contract for either (i) assumption and assignment to the Buyer or (ii) rejection;

WHEREAS, in accordance with the *Order Extending Time to Assume or Reject Unexpired Leases of Nonresidential Real Property* [Docket No.782], the time period within which the Debtors must assume or reject unexpired leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code is currently through the earlier of (a) June 7, 2021 and (b) the effective date of a plan, subject to any and all rights to seek a further extension thereof;

WHEREAS, through their counsel, the Parties have conferred and engaged in negotiations with respect to the extension of (1) the Designation Rights Period and (2) the Term of the Transition Services Agreement and have reached an agreement, as provided for herein, without the need for motion practice.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING PREMISES, THE MUTUAL COVENANTS HEREIN CONTAINED, AND FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS ACKNOWLEDGED BY ALL PARTIES, THE PARTIES HERETO AGREE TO THE

FOLLOWING TERMS, SUBJECT TO THE APPROVAL OF THE BANKRUPTCY COURT:

1. The Designation Rights Period and the Term of the Transition Services Agreement are extended through and including June 4, 2021;
2. Exhibit A of the Transition Services Agreement is amended to delete 1., 2., and 3 thereon;
3. Exhibit B of the Transition Services Agreement is modified as set forth on Schedule 1 attached hereto.
4. Upon mutual agreement of the Debtors and the Buyer, the Designation Rights Period and the Term of the Transition Services Agreement may be further extended without further order of the Bankruptcy Court.
5. To the extent necessary to comply with this Stipulation, the Debtors agree to timely seek a further extension of the deadline to assume or reject unexpired leases of non-residential real property pursuant to section 365(d)(4) of the Bankruptcy Code.
6. This Stipulation shall not become effective unless and until it is approved and entered by the Bankruptcy Court.
7. Neither the Stipulation and Order nor any negotiations and writings in connection with this Stipulation and Order shall in any way be construed as or deemed to be evidence of an admission on behalf of any Party regarding any, without limitation, claim, counterclaim, cause of action, right, and defense that such Party may have against the other Party.
8. This Stipulation and Order shall be binding on and inure to the benefit of the Parties hereto and their respective successors and assigns.

9. This Stipulation and Order shall not be modified, altered, amended, or vacated without written consent of all Parties hereto. Any such modification, alteration, amendment, or vacation in whole or in part, shall be subject to the approval of the Bankruptcy Court.

10. This Stipulation and Order contains the entire agreement by and between the Parties with respect to the subject matter hereof, and all prior understandings or agreements, if any, are merged into this Stipulation and Order.

11. Each of the undersigned counsel represents that she or he is authorized to execute this Stipulation and Order on behalf of her or his respective client.

12. This Stipulation and Order may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which shall be deemed an original, but all of which together shall constitute one instrument.

13. The Debtors are authorized to take all actions necessary to effectuate the relief provided by this Stipulation and Order.

14. The terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon its entry.

15. The Bankruptcy Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and Order.

STIPULATED and AGREED to this 17 day of May 2021.

/s/ Eric Howe

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Counsel for the Committee

Schedule 1

Designated Locations

Club	Address	City	State	Zip	Landlord
7743	3015 Grand Ave., Suite # 311	Coconut Grove	FL	33133	FRIT Cocowalk Owners, LLC
7459	13583 Midlothian Turnpike	Midlothian	VA	23113	Midlo Properties, LLC